

Message Text

UNCLASSIFIED

PAGE 01 STATE 260281

17

ORIGIN EB-07

INFO OCT-01 NEA-10 ISO-00 L-03 AF-06 IO-10 FRB-01 OMB-01

TAR-01 SP-02 AGR-10 AID-05 CIAE-00 COME-00 INR-07

LAB-04 NSAE-00 OIC-02 SIL-01 TRSE-00 CIEP-02 CEA-01

STR-04 /078 R

DRAFTED BY EB/TT/MA:JPSTEINMETZ:BST

APPROVED BY EB/TT/MA:JPSTEINMETZ

L/AF:FKWILLIS

NEA/ARP:JLYLE

----- 116551

R 032328Z NOV 75

FM SECSTATE WASHDC

TO AMEMBASSY KUWAIT

UNCLAS STATE 260281

E.O. 11652: N/A

TAGS: EWWT, KU

SUBJ: UN CONVENTION ON A CODE OF CONDUCT FOR
LINER CONFERENCES

REF: A) KUWAIT 4464; B) STATE A-5007, 6/19/74

1. COPY OF REF B BEING POUCHED FYI.

2. CODE CONVENTION, DEVELOPED UNDER AEGIS OF UNCTAD, WAS
ADOPTED APRIL, 1974, BY VOTE OF 72 TO 7 (US), WITH
5 ABSTENTIONS. US VOTED AGAINST ADOPTION AND CONTINUES
TO OPPOSE CODE IN PRESENT FORM. CERTAIN MAJOR PROVISIONS
ARE OBJECTIONABLE: MEMBERSHIP PROVISIONS WHICH WILL
ENCOURAGE CONTINUATION OF CLOSED CONFERENCES; CARGO
SHARING PROVISIONS WHICH WILL CARTELIZE TRANSPORTATION OF
TRADE; AND PROVISIONS ON FREIGHT RATES WHICH WOULD FREEZE
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 260281

THEM FOR UNDULY LONG PERIODS (15 MONTHS). WHILE CODE

SUPERFICIALLY RESEMBLES MANY U.S. REGULATORY STANDARDS CONTAINED IN OUR SHIPPING LEGISLATION, IT RESTS ON ECONOMIC PHILOSOPHICAL ASSUMPTIONS MARKEDLY DIFFERENT FROM THOSE UNDERLYING U.S. ECONOMIC POLICY. THE PROVISIONS, ESPECIALLY THOSE ON MEMBERSHIP AND RESPONSIBILITIES OF CONFERENCES, CARGO SHARING, AND FREIGHT RATES REFLECT AN ECONOMIC APPROACH BASED ON CENTRAL PLANNING, ECONOMIC CONTROL AND ALLOCATION OF MARKETS WHICH IS INCOMPATIBLE WITH U.S. EMPHASIS ON ROLE OF COMPETITION AND COMMERCIAL JUDGMENT. MOREOVER, CONCILIATION PROCEDURES FOR RESOLVING DISPUTES AS FINALLY INCORPORATED INTO CODE MAY WELL PROVE TO BE

COSTLY, TIME-CONSUMING AND A DECISION-DELAYING MECHANISM DETRIMENTAL BOTH TO SHIPPING AND TO SHIPPERS. CODE IS ALSO LACKING FROM STANDPOINT OF LEGAL CLARITY AS TEXT WAS NEVER REVIEWED BY LEGAL DRAFTING GROUP.

3. ON BALANCE, ADOPTION OF CODE BY U.S. WOULD NOT APPEAR TO PRODUCE ANY NET BENEFIT TO AMERICAN ECONOMY OVERALL OR TO AMERICAN SHIPPING LINES OR SHIPPERS. IT IS ALSO

DUBIOUS WHETHER SOME OF THE MORE HIGHLY-TOUTED PROVISIONS (CARGO SHARING AND FREIGHT RATES) WILL PRODUCE BENEFITS TO MANY OF THE DEVELOPING COUNTRIES. IN FACT, CERTAIN OF THE CODE'S PROVISIONS MAY WELL WORK IN THE END TO REDUCE SERVICE AND INCREASE COSTS OF LINER SHIPPING TO MANY DEVELOPING COUNTRIES.

4. OUTLOOK FOR ENTRY INTO FORCE OF CODE IS UNCERTAIN AT BEST AT THIS TIME. TO BE IMPLEMENTED, 24 COUNTRIES REPRESENTING 25 PERCENT OF WORLD LINER TONNAGE MUST BECOME CONTRACTING PARTIES. TO DATE, 10 COUNTRIES REPRESENTING APPROXIMATELY 1.4 PERCENT OF WORLD TONNAGE HAVE BECOME PARTIES. IN THE EVENT, CODE IN PRESENT FORM IS NOT

IMPLEMENTED WITHIN FIVE YEARS OF ADOPTION DATE, A REVIEW CONFERENCE WILL BE CONVENED TO CONSIDER REVISIONS TO THE PRESENT DOCUMENT. IF IT ENTERS INTO FORCE, A REVIEW CONFERENCE WILL BE HELD FIVE YEARS FROM DATE OF IMPLEMENTATION. KISSINGER
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 260281

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MARINE TRANSPORTATION, MARITIME LAW, MEETINGS, STEAMSHIP LINES
Control Number: n/a
Copy: SINGLE
Draft Date: 03 NOV 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE260281
Document Source: CORE
Document Unique ID: 00
Drafter: JPSTEINMETZ:BST
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750382-0045
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751183/aaaacwgl.tel
Line Count: 107
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 KUWAIT 4464, 75 STATE A-5007
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 05 NOV 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 NOV 2003 by chicheje>; APPROVED <11 FEB 2004 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: UN CONVENTION ON A CODE OF CONDUCT FOR LINER CONFERENCES
TAGS: EWWT, KU, UN
To: KUWAIT
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006